



2001 Small Business Profile: TEXAS

That the small business sector is as an economic engine indispensable to Texas's well being is apparent in the *2001 Small Business Profile*, compiled by the U.S. Small Business Administration's Office of Advocacy. The results in this report show that small businesses are job generators and innovators, and that they represent an array of opportunities to the diverse spectrum of individuals in their communities.

Number of Businesses. In 2000, the number of employer businesses increased by 1.4 percent, and it is estimated that the number of self-employed individuals decreased by 1.1 percent. There were 388,439 employer businesses, and nearly 98.7 percent were small (with fewer than 500 employees) in 2000. Self-employed persons were estimated at 817,083 in 2000. (Sources: U.S. Dept. of Labor, Employment and Training Administration; U.S. Dept. of Commerce, Bureau of the Census; U.S. Dept. of Labor, Bureau of Labor Statistics)

Women-Owned Businesses. Women-owned businesses generated \$65.1 billion in revenues, employed 548,756 workers, and constituted 381,500 firms or 25.0 percent of all firms in 1997. The data on women-owned firms are not comparable between 1992 and 1997. (Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, U.S. Dept. of Commerce, Bureau of the Census)

Minority-Owned Businesses. According to the latest (1997) Census data, a total of 365,500 minority-owned businesses represented 24.0 percent of the businesses in the state and generated \$67.4 billion in revenues. Of these, 71,500 were employer businesses employing a total of 522,925 workers. There were 240,400 Hispanic-owned firms; 60,400 Black-owned businesses; 60,200 Asian and Pacific Islander-owned firms; and 15,700 American Indian and Alaskan Native-owned businesses in 1997. (The data on minority-owned firms are not comparable between 1992 and 1997.) Data may not sum to the total because an owner may be a member of more than one minority group. (Source: U.S. Dept. of Commerce, Bureau of

the Census)

Business Turnover. There were 2.5 percent or 54,330 more new employer firms in 2000 than in 1999. Business bankruptcies totaled 2,592 in 2000, an increase of 12.6 percent since 1999, while business terminations amounted to 57,300, an increase of 0.7 percent from 1999. (Sources: U.S. Dept. of Labor, Employment and Training Administration; Administrative Office of the U.S. Courts; U.S. Dept. of Commerce, Bureau of the Census)

Employment. Small business employment represented 47.6 percent of the state's total employment and firms numbered 361,440 in 1998. Small businesses employed 3,601,074 of the state's 7,570,820 total non-farm private sector workers (Table 1). (Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses)

Small Business Income. The non-farm proprietors' share of small business income totaled \$68.1 billion—an increase of 7.2 percent from \$63.5 billion in 1999. (Source: U.S. Dept. of Commerce)

Finance. Small businesses often rely upon local bank services, and the number of banks within the state has decreased over the last five years. The Office of Advocacy has published banking studies identifying banks within the state that are small-business-friendly. (See Table 2 for the number of banks by asset size.) Small businesses seeking loans should also consider lenders that participate in the SBA's preferred or certified loan programs; for a list of these lenders, call the Small Business Answer Desk at (800) 827-5722.

For more information on the Office of Advocacy's data, analyses, and research reports on small business, visit www.sba.gov/advo/stats or call (202) 205-6530.

Table 1. Firms and Employment in the State by Industry and Firm Size (Thousands), 1998

Industry	Firms		Employment	
	Total	<500	Total	<500
Total	366.3	361.4	7570.8	3601.1
Agriculture, forestry, fishing, and hunting	1.4	1.3	9.4	8.4
Mining	5.7	5.6	109.7	50.7
Utilities	0.9	0.9	56.1	10.7
Construction	37.4	37.2	457.1	359.1
Manufacturing	20.1	19.0	986.9	374.8
Wholesale trade	27.1	26.0	436.1	268.1
Retail trade	46.6	45.9	977.7	383.2
Transportation and warehousing	11.3	11.0	282.5	107.0
Information	4.9	4.6	222.8	53.8
Finance and insurance	17.4	16.9	360.3	141.1
Real estate; rental and leasing	16.3	16.1	137.0	90.4
Professional, scientific, and technical services	44.8	44.3	413.9	271.2
Management of companies and enterprises	2.4	1.5	229.4	22.6
Admin., support, waste mngt., and remed., services	19.2	18.6	678.4	245.9
Educational services	3.7	3.6	101.0	55.3
Health care and social assistance	36.6	36.3	911.1	402.7
Arts, entertainment, and recreation	4.7	4.6	85.6	55.2
Accommodation and food services	23.9	23.6	661.4	367.7
Other services	43.4	43.2	373.8	323.9
Auxiliary, except corp, subsidiary, and regional managing offices	0.6	0.2	75.4	4.1
Unclassified	4.0	4.0	5.3	5.3

* Disclosed

Source: U.S. Department of Commerce, Bureau of the Census.

Table 2. Number of Banks in the State by Asset Size, 2000

Number of Banks, 1996-2000					Bank Asset Size Class, 2000				
1996	1997	1998	1999	2000	<\$100M	\$100M-\$500M	\$500M-\$1B	\$1B-\$10B	>\$10B
896	856	818	770	735	496	203	19	14	3

Source: U.S. Small Business Administration, Office of Advocacy, from data collected by the Federal Reserve Board.

The full list of small-business-friendly banks can be found on the Office of Advocacy's website at www.sba.gov/advo/lending